

Form 1449 as requested will be submitted upon indication of allowable subject matter in the reissue claims.

Addressing the recapture rejection of claims 1-21 at ¶5 of the Office Action, the within Amendment will demonstrate that the meaning of "perforations" and "perforated materials" and "perforate structures" in Hill '609 has consistently been misunderstood by the Examiner, and subsequently by applicant. Indeed, a March 2000 Decision from the UK Patent Office concerning Hill's apparent attempt to broaden the UK equivalent of Hill '609 demonstrates what Hill himself regards as his perforated material. Where an error in interpreting prior art arises with the Examiner and is acquiesced in by applicant who then amends claims, recapture is permissible pursuant to authority of the U.S. Supreme Court. Section A and Section B of this Amendment set forth a detailed analysis of the misinterpretation of Hill '609, and the resultant equitable remedy available to applicant Shields.

At ¶6 of the Office Action, the Examiner rejected claims 2, 3, 8 and 18-21 under 35 USC §112 ¶1 as claiming subject matter not adequately described in the specification. Without prejudice or disclaimer, applicant has cancelled claims 6, 8, 10, and 13-21, and has amended claims 1-5, 7, 9, 11, and 12. Applicant submits that amended claims 1-5, 7, 9, 11, and 12 correct any deficiencies that may have been perceived by the Examiner under 35 USC §112 ¶1.

¶7, ¶8 of the Office Action are no longer relevant in view of cancellation of claims 15-21. At ¶9 of the Office Action, bridging pages 8-9, the Examiner rejects claims 1-14 under 35 USC §103 as unpatentable over Hill '609, in view of Frey '882, further in view of Mallaik '7789, and Rosental '555, and further in view of the German reference to Bogner '028.

Applicant has cancelled claims 6, 8, 10 and 13-21, amended claims 1-5, 7, 9, 11, and 12, and added new claims 22-70. Claims 1-5, 7, 9, 11, 12 and 22-70 are pending.

(A) THE NATURE OF "PERFORATIONS" IN HILL '609 HAS CONSISTENTLY BEEN MISINTERPRETED, FIRST BY THE EXAMINER AND THEN BY APPLICANT

As shown by the Supplemental Declaration of Gregory E. Ross, in addition to errors originally cited by applicant (and incorporated by reference in the Supplemental Declaration filed herewith) an additional error giving rise to this reissue application is that the Patent Examiner and applicant have consistently misconstrued USP 4,673,609 to Hill. More particularly, the Examiner and applicant have erroneously accepted that Hill '609 somehow disclosed or suggested "perforations" that penetrate completely through a panel or substrate to permit viewing through the resultant openings. The error appears to have begun on August 23, 1995.

In the 23 August 1995 first Office Action during prosecution of what is now USP 5,609,938, the Examiner stated in relevant part at paragraph 3:

The vision effects of the (Hill) panel may be formed by use of a *perforated panel* with the *perforations* allowing sight through the panel and the non-perforated areas blocking vision, with a reflective image pattern on one side of the panel with the *perforations* (col. 13, lines 37-49), Claim 15 (re-exam certificate issued July 25, 1995). ... The *perforated sheet* (silhouette pattern) and image may be between transparent protective cover sheets (col. 14, lines 1-10). (emphasis added)

As the following analysis will demonstrate, it is now realized by applicant that the Examiner's interpretation of what is "perforated" in Hill was erroneous. In what is now realized to have been an unwarranted acceptance of the Examiner's erroneous interpretation of what is "perforated" in Hill, applicant on 23 February 1996 submitted an Amendment adding a "non perforated backing layer" to the claimed

subject matter. As successor counsel for applicant will now demonstrate, this additional language was not required because the Examiner's interpretation of Hill '609, and original patent counsel's acceptance of the Examiner's interpretation was in error.

(A-1) HILL '609 DOES NOT DISCLOSE A PANEL HAVING THROUGH-PERFORATIONS THAT PERMIT VIEWING THROUGH THE PERFORATION OPENINGS

Hill's panel does *not* have through perforations, and for that reason will of necessity be a "transparent or translucent" material (see Hill Abstract, and col. 1, line 6). Hill defines the term "transparent panel" as col. 1, lines 10-26 to include "transparent material", and "translucent material". At col. 1 lines 54-64, Hill notes that "a substantially clear view is obtained from the other side through[t] the panel into the other side ... not dissimilar to tinted transparent panels".

Col.2, lines 23-26 again emphasize that Hill provides "a panel of transparent or translucent material", a material referred to in his original claims as a "light permeable material". As set forth at col. 3, lines 10-34, Hill carefully forms a pattern of superimposed opaque dots upon one surface of his panel, forming what he terms a "silhouette pattern". It is clear from col. 3, lines 14-17 that these opaque dots subdivide the panel into a plurality of opaque areas and/or a plurality of "transparent or translucent" areas. E.g., Hill begins with a panel that is "transparent or translucent" or "light permeable". Hill then carefully deposits or otherwise forms aligned dot patterns on one surface of the panel, which patterns render the panel opaque where the dots are, but leaves the panel "transparent or translucent" or "light permeable" where no dots are formed.

At col. 3, lines 43-46, Hill notes that it may be more efficient to "see through areas between" a regular array of "discrete opaque elements such as dots ... than through

the transparent areas defined by an opaque grid ... ". Hill further notes at col. 5, lines 57-58 that "the transparent area of the transparent product can be of two or more different colors" Again all this language is entirely consistent with Hill's forming a pattern of opaque dots on one surface of a panel that is transparent or translucent or light permeable, such that one can see through the panel in regions not covered by opaque dot elements.

Note in Hill's figures that material 10 is the panel that comprises "a transparent colorless sheet of material". See Fig. 1 and col. 6, lines 52-56. It is important to appreciate that Hill's figures do not depict material 10 as being "perforated". This total absence of "perforations" through material 10 is consistent with Hill's description of the panel material as being "transparent or translucent" or "light permeable". E.g., since an observer can see through the transparent regions of the panel that are not covered by dots, there is no need to perforate the panel material to provide openings to enable such viewing.

In the various embodiments, e.g., Fig. 7, Hill protects the dot formed pattern 14 with a "transparent sheet" 12 (col. 7, lines 52-56). The embodiment of Figs. 14-16 include both sheet 10 and sheet 12, each of which has an opaque dot pattern. At col. 8, lines 16-47, Hill describes how relative transparency can be altered by sliding these two sheets relative to one another. This description (and the figures themselves) is consistent with a design features that is consistently mentioned by Hill, namely that his panel(s) are transparent or translucent.

As noted, Hill '609 forms opaque regions using dots on a transparent or translucent panel. At col. 10 line 27 bridging col. 13, line 63, Hill discloses methods to form the dot-like opaque regions. The language at Hill '609 at col. 13, lines 37-49, erroneously relied upon by the Examiner is directed to steps in forming the dot-like opaque regions. These steps, however, do not describe how to form perforations

entirely through his panel to permit viewing through the perforations. As noted, Hill does not need such perforations because his panel is "transparent or translucent" or "light permeable" and can thus be seen through, at least in regions not covered by opaque dots. Instead, what Hill describes is how to form a die-like pattern that will be used to define where opaque dots are printed or otherwise formed on a surface of the transparent or translucent panel. In the claims of the original '609 patent Hill, accurately, consistently characterized his transparent or translucent panel as a sheet of "light permeable" material. (See col. 23, line 27 bridging col. 26, line 29.

Referring now to col. 13, lines 27-49, assume for the sake of argument that Hill wished to form a pattern of triangular-shaped dots, e.g., the opaque regions of the Hill panel will be rendered opaque by the presence of triangular-shaped dots. At col. 13, lines 27-33, Hill would use a film material that may be opaque or may be printed upon or blocked-out to define the area defined by everything except the desired triangular-shaped dots. From this material Hill next will cut-out and then remove from the film material everything but the desired triangular-shaped dots. In essence Hill is describing how to form a reverse pattern. Note Hill's descriptive use of the words "grid, net or filagree" at col. 13, lines 39-40. At col. 13, lines 38-41. Hill notes that his cutting-away of what will correspond to transparent material (when the cut film is attached to a transparent or translucent panel) may be accomplished by punching, burning, laser cutting, or other cutting techniques. Note especially the language at col. 13, lines 46-49 that the thus patterned perforated sheets or membranes may be then be formed "within, attached to, or be independent of the *transparent sheet* or film materials". Stated differently, if Hill's stencil-like pattern (in the above example, a pattern of triangular-shaped dots) were applied to a panel that was not transparent or translucent (e.g., an opaque panel), there could be no one-way viewing effect because one could not see through the panel.

At col. 14, lines 39-50, Hill again reiterates that his silhouette pattern forms opaque elements that are applied to a panel, portions of which "can be left clear: of the silhouette pattern. At col. 14, lines 51-52, Hill yet again states that his base material is "transparent".

Note at col. 15, lines 44-68, Hill recites factors that will affect see-through visibility in his invention. Specifically at col. 15, lines 47-49, Hill includes "light transmittance and surface reflectivity of the *transparent material* " (emphasis added). Other factors are stated to include reflectivity and contrast of colors used in the silhouette pattern, the distinctiveness of the design, the proportions of "opaque to *transparent* areas ... col. 15, lines 51-53 (emphasis added). At col. 16, lines 1-4, Hill again refers to "transparent material".

In his above list of factors affecting see-through visibility, it is important to note that Hill never states that the size or the number of perforations may be increased to enhance visibility. Hill does not so state for the simple reason that Hill's invention does not use through-perforations, but instead relies upon unobscured regions of a "transparent or translucent" panel to achieve a see-through feature.

At col. 17, lines 13-25 Hill discusses the incorporation of light gathering materials into his invention. The light gathering materials may include a worked pattern (col. 17, line 22) that may align or register, i.e., geometrically correspond, at least partially to the silhouette pattern on the "transparent material" when they are aligned (col. 17, lines 20-23).

At col. 18, lines 11-32, Hill discusses the embodiment of Fig. 18, in which the silhouette pattern is defined by individual elements within or outside "the transparent area or areas 20" (col. 18, lines 29-31). Again it is noted that the underlying panel material 10 is not perforated, and indeed is earlier stated to be "transparent", e.g.,

col. 6, line 54. At col. 19, lines 1-5, Hill notes with reference to Fig. 10 that his silhouette pattern can be built-up in layers and will result in an exact registration. Again it will be appreciated that if instead Hill used through-perforations (which he does not) there would be no need for such "exact registration", since transparent regions would be defined by the area of through perforations in the panel. At col. 19, the stencil-like or silk-screen like formation of built-up patterns is again noted and stated to result in "exact registration", e.g., opaque regions on one level overlie opaque regions on a lower level, leaving unobscured the regions surrounding the opaque regions.

The closest structure in Hill '609 that may remotely be said to refer to "perforations" is perhaps the embodiment shown in Fig. 23 in which shallow pits are formed into which opaque pattern ink will be placed to define opaque regions for panel or base material 10. But note that:

- (a) these pits are not formed completely through the panel or base material 10; and
- (b) these pits are formed to define what will be opaque regions, not to define what will be transparent regions.

(By contrast, applicant's invention uses a panel or substrate that need not be transparent or translucent or light permeable, in which perforations are formed completely through the panel to provide what will be transparent viewing regions. This is completely inapposite to what Hill discloses or suggests.)

At col. 20, lines 61-64, Hill describes his Fig. 28 as illustrating one side of a panel in which dark dots represent the silhouette pattern, the grey area between the dots represents the "transparent area" of the panel. Again the point to be appreciated is that Hill never purports to provide his panel with through perforations, for the simple reason that his panel is always transparent or at least translucent. The same conclusion is apparent from Hill's description of Fig. 30, at col. 21, lines 6-10.

Finally, at col. 21 line 49 bridging col. 23, line 19, Hill provides a list of applications in which his invention may be practiced, e.g., "transparent doors" (col. 21, line 68, "transparent barriers or fences" (col. 22, lines 4-5), "transparent containers" (col. 22, lines 15-16), "transparent panel" (col. 22, line 20-23), "transparent glass door" (col. 22, line 64), "transparent partitions" (col. 23, lines 10-11, and "novelty sunglasses" (col. 23, lines 18-20).

In short, nowhere in Hill '609 can it be fairly stated that Hill discloses or suggests providing a panel with through perforations such that a viewer sees through the panel via the through perforations. This conclusion is well borne out by the above analysis. Nonetheless, the Examiner misread Hill '609 and concluded that such "perforations" as were referred to by Hill must have been formed entirely through his panel such that a viewer could actually see through the perforation holes formed through the panel. This conclusion by the Examiner is wrong, and through visibility in Hill results from the oft stated fact that Hill's panel is "transparent" or at least "translucent". To the extent that the "pits" shown in Hill's Fig. 23 may be called (inaccurately) perforations, it is beyond dispute that these perforations can never go completely through Hill's base material 10 (because that would defeat their role of defining opaque regions where ink or paint will reside). Further, to the extent these "pits" are called perforations, Hill uses such perforations to define opaque regions, whereas through perforations in applicant's invention define transparent view-through regions.

(A-2) IN UK PROCEEDINGS TO AMEND HIS COMPANION UK PATENT, HILL ARGUES THAT HIS "PERFORATE STRUCTURE" COMPRISSES SPACE BETWEEN THE BLOBS OF MATERIAL DEPOSITED ON SHEET 10 IN FIGS. 1, 2, AND 3

Attached as EXHIBIT 1 is a true copy of a 3 March 2000 Decision from the UK Patent Office in which Hill unsuccessfully has attempted to amend his companion

patent number GB 2165292C. At page 1 ¶1 of the 24 page Decision it is seen from the recited priority that Hill's GB 2165292C issued from the Jul. 28, 1984 and Feb. 19, 1985 priority UK patent applications listed on the face of Hill USP 4,673,609.

The portion of the Decision relevant to "perforations" appears at pages 14-16, ¶38-42, see especially ¶40 at the top of page 15. As noted at the top of page 15, Hill's representative Mr. Birss pointed to Hill Figs. 1, 2 and 3 as supporting "perforate structures" that Hill now seeks to claim in the UK Patent Office.

As noted at page 15 of the Decision, referring to Figs. 1-3, Hill attempted to argue that:

each panel comprises a sheet (10) carrying a pattern, and whilst the sheet may properly be described as imperforate, the blobs of material and the holes between the blobs, which together make up the pattern, constitute a perforate structure.

In rejecting this argument, the Divisional Director of the UK Patent Office noted at page 15:

With respect, I have to say that in my view this stretches the ambit of the term "perforate structure" beyond its reasonable limits. It is akin to saying that paint that has been daubed in a series of cross lines on a sheet of paper constitutes a "perforate structure". Mr. Birss's submission (on behalf of Hill) is in my judgment untenable. (emphasis added)

At pages 15-16, ¶40 and 41, the Divisional Director of the UK Patent Office noted that references in Hill's patent to a "perforated stencil" or a "perforated film" or a "cut film", or "patterned perforated sheets or membranes" or a "silhouette pattern" that is "punched, drilled, or otherwise cut into the material" did not support any form of structure that might reasonably be called "perforate".

Note at the top of page 15 ¶38, the Divisional Director of the UK Patent Office states that opposer (Clear Focus) to Hill's attempted patent amendment met its

burden of demonstrating that “the question of added subject matter” contravened Section 76 in the context of “perforate structures”. (Attached as EXHIBIT 2 is a true copy of Section 76 of the U.K. Statute referred to in the Decision.)

(A-3) SALES LITERATURE PROMULGATED BY HILL CONSISTENTLY SHOWS A TRANSPARENT PANEL HAVING NO THROUGH-PERFORATIONS

Attached hereto as EXHIBIT 3 is a true copy of a “Sales Training” brochure promulgated by “ContraVision”, the assignee on Re-examination Certificate (2636th) for B1 4,673,609, e.g., the re-examination of Hill '609.

At the first (unnumbered) page, the document states that the Contra Vision product is “based on a transparent substrate” ... with an opaque silhouette pattern, onto which is exactly superimposed a design on one side, not visible from the other... .”

At the second (unnumbered) page, the “How Contra Vision Functions” depicts a figure somewhat similar to portions of Fig. 5 in the '609 patent. Significantly, what is the panel layer 10 in the '609 patent is labeled “transparent panel” in EXHIBIT 1. The characterization of panel layer 10 is completely consistent with everything stated in the '609 patent.

At the third (unnumbered) page, it is stated that Contra Vision enjoys a monopoly status by virtue of its patents.

At the fourth (unnumbered) page, EXHIBIT 1 notes that “exact registration printed is required to print a design which is not visible from the other side of a *transparent panel*” (emphasis added). This statement is completely consistent with everything stated in the '609 patent.

(A-4) ACTUAL SAMPLES OF PANEL PRODUCED UNDER HILL'609 DO NOT INCLUDE THROUGH PERFORATIONS

EXHIBIT 4A and EXHIBIT 4B are pieces cut from a single 26.5"x38" sheet of material manufactured by Contra Vision. Note that EXHIBIT 4A is marked in the solid black margin with Hill's patent number 4,673,609. EXHIBIT 4B is cut from the same sheet and shows a portion of a San Francisco 49'ers logo. Note that "perforations" as that word is commonly used in the English language are simply nowhere to be found in EXHIBIT 4A or EXHIBIT 4B.

In stark contrast to the non-perforated Hill USP 4,673,609 material, EXHIBIT 5 is a sample of material produced by assignee herein and marketed as "PaperVue". The material in EXHIBIT 5 is exemplary of what is disclosed in assignee's USP 5,609,938. Note that "perforations" in EXHIBIT 5 are indeed perforations: one can blow air through the openings, and visibility from the light absorbing or black side of the material is via the perforation openings, and not through the substrate, which in this case is opaque.

(A-5) FURTHER EVIDENCE OF THE EXAMINER'S MISUNDERSTANDING OF "PERFORATIONS" IN THE '609 PATENT IS PROVIDED BY THE RE-EXAMINATION CERTIFICATE (2636th) FOR B1 4,673,609, E.G., THE RE-EXAMINATION OF HILL '609.

In the re-examination certificate, independent claims 1, 2, 4, 17, 22, 23, 24, 25, 28, 31, and 33 recite "a sheet of light permeable material", which language is consistent with the "transparent" or "translucent" description of the panel in Hill '609.

In the re-examination certificate, independent claim 15 refers to an assembly including:

- a "perforated material" ...;
- a "perforated protective film"; and

a “perforated self-adhesive layer . . .”

Since claim 15 refers to such “perforated” elements, whatever these “perforated” elements are must be shown in Hill’s figures. This statement is true because 37 C.F.R. §1.83A states in relevant part:

1.83 Content of drawing:

(a) The drawing in a non-provisional application must show every feature of the invention specified in the claims. However, conventional features disclosed in the description and claims, where their detailed illustration is not essential for a proper understanding of the invention, should be illustrated in the drawing in the form of a graphical drawing symbol or a labeled representation (e.g. a labeled rectangular box). (emphasis added)

As noted earlier herein, it is beyond dispute that Hill’s layer 10 and/or layer 12 in the ‘609 patent are never depicted with through-perforations, e.g., perforations through which a viewer may see from one side of the layer or panel to the other side. Indeed in the ‘609 patent, Hill never suggests that these layers have through-perforations for the simple reason that the layers are always said to be “transparent” or “translucent”, or “light permeable”. Thus, a viewer can see through regions of the panel layer in the Hill device that are not rendered opaque with dot patterns.

In the re-examination version of the ‘609 patent, claim 15 was issued by the U.S.P.T.O. Therefore we must assume that the U.S.P.T.O. believed the mandatory language of 37 CFR §1.83A was complied with. Stated differently, since Hill never depicts layer 10 and/or layer 12 as including through perforations, the “perforated” elements referred to in claim 15 cannot refer to layer 10 and/or layer 12. Were it otherwise, the U.S.P.T.O. would never have allowed claim 15, because the figures do not show every feature of what is recited in claim 15. What then can the “perforated” elements in Hill ‘609 be?

Since claim 15 was allowed, and since we must assume 37 CFR §1.83A was met, then the “perforated” elements referred to in claim 15 seem to be the elements shown in Fig. 23. But even if the shallow pit regions (regions 66 in Fig. 23) are denoted “perforations”, it is clear that:

- (a) these pits are not formed completely through the panel or base material 10; and
- (b) these pits are formed to define what will be opaque regions, and not to define what will be transparent regions.

It is beyond dispute that if these pits were formed completely through panel or base material 10, the resultant through-openings would totally defeat the purpose of forming the pits or ill-termed perforations. The result would be a transparent or translucent or light permeable panel or base material 10 having through perforations. To the contrary, Hill '609 forms these shallow pits for the purpose of receiving the ink dots whose presence makes portions of the otherwise transparent or translucent base or panel region opaque.

Thus, in contrast to Hill, the presently claimed invention can use a substrate that need not be transparent or translucent or light permeable for the simple reason that viewing through the substrate is made by looking into the through-perforations (e.g., '938 patent, col. 3, lines 24-33). In further contrast to Hill, in the presently claimed invention, the through-perforations are preferably formed simultaneously through the various layers comprising the invention (e.g., '938 patent, col. 3, lines 61-62).

Another interpretation of “perforations” that Hill argues is supported by the Figs. 1-3 in Hill '609 is that “perforate material” really means the empty space between ink blobs in these figures. But even if one adopted this argument that Hill recently and unsuccessfully made to the U.K. Patent Office, overlooking that such construction indeed “stretches the ambit of the term ‘perforate structure’”, Hill’s “perforations” and

"perforate material" are still now what is claimed in Shields '938. If the space between Hill's ink blobs define "perforations", then it is beyond dispute that Hill's substrate panel layer 10 must indeed be "transparent" or "translucent" or "light permeable". By contrast, in Shields '938, true perforations are formed entirely through a substrate that need not be transparent, translucent, or light permeable (depending upon the embodiment) for the simple reason that one looks through the perforation openings, and not through the substrate. See EXHIBIT 5, herein.

In short, but for the Examiner's (and then applicant's) erroneous interpretation of "perforations" and "perforate material" in Hill '609, it is now seen that Hill '609 is hardly the *prima facie* 35 USC §103 reference it has been assumed to be.

* * * * *

In view of the above analysis, it is respectfully submitted that Hill '609 does not disclose, or suggest, or even claim through-perforations formed in a substrate panel or layer (that need not even be transparent or translucent or light permeable) for the purpose of creating transparent through openings. Thus, the Examiner's original citation of Hill '609 for this proposition was erroneous, and applicant's reliance upon such interpretation was erroneous. As noted, in stark contrast to Hill, applicant's substrate or base need not be transparent or translucent or light permeable to permit through viewing. Indeed, in contrast to Hill, applicant's substrate could be formed from a sheet of lead, since through-perforations permit viewing through even a light non-permeable substrate via the perforation openings.

B. THE FACTS IN THIS CASE INVOKE AN EXCEPTION TO THE SO-CALLED RECAPTURE RULE: WHEN APPLICANT'S ERROR IS BASED UPON THE EXAMINER'S ERROR IN INTERPRETING A CITED REFERENCE, RECAPTURE IS PERMISSIBLE

At ¶5 of the Office Action, the Examiner has cited *Ball Corp. v. U.S.*, 221 USPQ 2d 289, 295 (Fed. Cir. 1984) for the proposition that "the recapture rule bars the

patentee from acquiring, through reissue, claims that are of the same or broader scope than those claims that were cancelled in the original application". Applicant respectfully submits that the so-called recapture rule is hardly as cut and dried as the Examiner's reading of *Ball Corp.* suggests.

Applicant notes that *Ball* at 221 USPQ 2d 289, 294 states with apparent approval:

While deliberate cancellation of a claim cannot ordinarily be considered error, the CCPA has repeatedly held that the deliberate cancellation of claims *may* constitute error, if it occurs without deceptive intent. (emphasis in original text)

Thus while claim cancellation during prosecution may give rise to the so-called recapture rule, it need not always invoke this rule. An exception to automatic invocation of the recapture rule appears to be the situation where the Examiner rejects a claim based upon an erroneous interpretation of prior art, and applicant essentially adopts the Examiner's mistaken interpretation and amends claims.

As authority for the "Examiner error, then applicant error" exception to the automatic invocation of the recapture rule, applicant cites the U.S. Supreme Court case of *Morey v. Lockwood* , 75 U.S. (8 Wall.) 230, 19 L.Ed. 339 (1869). A full copy of this Supreme Court decision is attached as EXHIBIT 6 for the Examiner's convenience.

In *Morey*, the U.S. Supreme Court was faced with a situation in which applicant (Davidsons) invented what appears to be the modern enema and received a patent that they assigned to Lockwood. The enema included an elastic sac with flexible tubes and valve-boxes and valves that entered and exited the elastic sac essentially in the same axial line. Applicants initially presented a broad claim that recited:

the combination of the prolate spheroidal shaped elastic sac with flexible tubes, terminating in valve-boxes, containing valves, arranged for the purpose of eduction and ejection, the whole operating together substantially in the manner and for the purpose set forth.

An earlier publication by Messrs. Pearsall and Gilbert in the Franklin Journal showed an enema that was cited as prior art by the Commission or Patents. The Commission believed applicants' broad claim read on the prior art enema, which the Commissioner interpreted as disclosing an elastic sac with flexible tubes, valve-boxes, and valves that were arranged non-axially.

At 75 U.S. 230, 233 it is stated that the Commissioner would not grant the original broad claim unless it was amended to read:

the combination of the prolate spheroidal shaped elastic sac with flexible tubes, terminating in valve-boxes, containing valves, arranged for the purpose of eduction and ejection, when the sac tubes and valve-boxes are in or nearly in the same axial line, the whole operating together substantially in the manner and for the purpose set forth.

As noted at 75 U.S. 230, 233, applicant Davidsons acquiesced in the rejection, and submitted an amendment narrowing the claim to include the above language. With the thus narrowed claim, the patent was granted.

After the patent was granted, it was discovered by the patentees or their assignee, and also by the Commissioner himself that the invention of Messrs. Pearsall and Gilbert furnished no legal objection to the claim of the Davidsons, as first presented to the office; for although the prior improvement had a rubber sac, the tubes were *metal and inflexible*. Accordingly, on a surrender by the assignee he was allowed to amend and broaden the claim by restoring it to its original form, and the Office granted a reissue with the claim in that form (see 75 U.S. 230, 233).

In the *Morey v. Lockwood* infringement litigation, one issue was whether during reissue patentee should have obtained the broadened claim that recaptured claim scope that was narrowed during prosecution.

At 75 U.S. 230, 240-241, in upholding reissuance of the broadened claim, the U.S. Supreme Court stated:

We do not doubt that the Commissioner (of Patents) had full authority to grant the amendment; and under the special circumstances of the case, it would seem to have been a duty, as the inventors were led into the error by himself (the Commissioner), as may be seen from his letter when the patent was originally granted. (emphasis added)

It will be appreciated that the fact situation in *Morey* is similar to the case at bar: in each case, the primary reference cited against applicant's claims was misunderstood by the Examiner. This erroneous interpretation was acquiesced in by applicant, who amended claims and ultimately received a patent with narrowed claim coverage. In each case applicant subsequently sought to recapture the scope of what was lost during prosecution due to Examiner error, acquiesced in by applicant.

Morey v. Lockwood, *supra*, is cited with approval in *Haliczer v. U.S.* 356 F.2d 541 (U.S.C.C. 1966). In *Haliczer*, plaintiff sued for infringement of claims that were broadened during reissue to recapture claim scope deliberately abandoned during prosecution of the original patent. Not surprisingly, the Court of Claims, held the broadened reissued claims to be invalid because the cancellation of similar claims during prosecution of the original patent did not involve "error" within the meaning of 35 U.S.C. §251.

In *Haliczer*, plaintiff attempted unsuccessfully to rely upon *Morey v. Lockwood*, which is discussed above. The Court of Claims readily distinguished *Morey* at 356 F.2d 541, 545 as follows:

The Supreme Court's decision in *Morey v. Lockwood* 75 U.S. (8 Wall) 230, 19 L.Ed 339 (1868) on which plaintiff relies, was quite different. In that case the Patent Office itself had led the inventors into the error by originally insisting (and wrongly) on the very provision which was later changed in the reissued patent (see *id.* at 232-233, 241). Here,

plaintiff (Haliczer) himself, not the Patent Office, proffered scalloped edges as the distinguishing feature; the Office did not lead plaintiff into any error.

Again it is submitted that when applicant's narrowing amendment of original claims is based upon an error by the U.S.P.T.O. in interpreting or applying prior art, the hard and fast rule against recapture during reissuance is not followed. In *Pennwalt Corp. v. Durand-Wayland, Inc.* 833 F.2d 931 (Fed.Cir. 1987), the Federal Circuit at 833 F.2d 961 cited *Morey v. Lockwood* with approval with respect to looking to the substance of a patentee's contribution as described in the specification and claimed, and with respect to "deciding the issues equitably and as the particular facts occasioned". *Pennwalt* did not involve reissue recapture, but had the Federal Circuit felt critically of the *Morey* exception to reissue recapture, it could have so stated in dicta.

Thus, in view of the U.S. Supreme Court *Morey* exception to reissue recapture, applicant requests the Examiner to reconsider his rejection at ¶5 in the Office Action of pending claims 1-21 as being an improper recapture. The prosecution facts in the present case are quite similar to those in *Morey*: original claims were rejected because the Examiner misinterpreted the primary reference (here, "perforations" in Hill '609).

In *Morey* the Commissioner of Patents admitted his error in interpreting the prior art, which error resulted in patentee's narrowing claim amendment. In the present case, the Reexamination Certificate for Hill '609 provides objective evidence of the Examiner's misinterpretation of "perforations" in Hill '609. As noted, claim 15 in the Hill reexamination certificate refers to "perforated" material, "perforated" protective film, and "perforated" self-adhesive layer. Since the U.S.P.T.O. would never allow such language if claim 15 violated 37 C.F.R. §1.83A and was not supported by the figures in Hill, the Hill "perforations" must at best refer to the shallow ink-receiving

pits shown in Fig. 23, or perhaps to the empty space between layers of ink deposited upon a substrate that will always be transparent or translucent or light permeable. By contrast, the present invention employs a substrate that need not be light permeable because a plurality of holes will be formed completely through the substrate to permit through-viewing. The difference between the two inventions is substantial, and the *Morey* exception to reissue recapture is applicable in the present case.

C. Hill '609 Should Be Withdrawn as a §103 Reference

The primary reference relied upon by the Examiner is of course Hill '609, which the Examiner cites at the bottom of page 8 as disclosing a "perforated image". At the top of page 9, the Examiner states in relevant part that the present invention "claims the use of a perforated image".

Shields '938 does not *per se* claim the use of a perforated image, but rather claims a panel assembly or a one way viewing display panel that is formed from component elements, e.g., layers, coatings, etc., and is then perforated completely through to define a plurality of staggered openings through which one may see right through the assembly or display panel. While an image will typically be formed or presented on a layer or surface of the assembly or display panel and will of course be perforated by virtue of the perforations, applicant is not *per se* claiming the use of a "perforated image".

As noted above at Section A and Section B of this Amendment, it is evident that the nature of "perforations" in the primary Hill '609 reference has hitherto been misunderstood. It is perhaps not surprising that the disclosure in Hill '609 has been misunderstood. As was pointed out with respect to attached EXHIBIT 1, the March 2000 Decision from the UK Patent Office, we now learn from Hill himself that Hill's "perforate structure" is really the space between the ink blobs in Figs. 1-3!

Applicant trusts that the Examiner will come to the same conclusion as did the Divisional Director of the UK Patent Office that this contention by Hill is simply untenable and indeed "stretches the ambit of the term 'perforate structure' beyond its reasonable limits. It is akin to saying that paint that has been daubed in a series of cross lines on a sheet of paper constitutes a "perforate structure".

As applicant has pointed out earlier in this Amendment, further evidence that "perforations" and "perforate structure" in Hill '609 have been misinterpreted is given by 37 C.F.R. §1.83A and by claim 15 in the re-examined '609 patent. Since §1.83A never shown figures in Hill '609 with perforations (as that words is commonly used) passing completely through Hill's substrate or panel, we are forced to conclude that "perforations" must mean something else. Hill offered one "explanation" in the recent UK proceedings that is indeed consistent his figures, with 37 C.F.R. §1.83A, and with his re-examined claim 15, namely that "perforate structure" means a transparent substrate that has ink blobs on one surface. However, Hill-type "perforations" are not relevant to what has been presented by applicant during prosecution of the Shields '938 patent.

At ¶8 page 6 in the Office Action, the Examiner asserts that in Hill the vision effects of the panel may be formed by use of a perforated panel with the perforations allowing sight through the panel ... " But as shown herein, there are no "perforations" in Hill '609, and if Hill's panel 10 were other than transparent or translucent or light permeable, there would be zero vision through his "perforations". By contrast, in Shields '938, "perforations" mean "perforations", e.g., physical openings that penetrate completely through a substrate that need not always be transparent or translucent or light permeable. In view of the arguments set forth in this Amendment, it is respectfully submitted that Hill '609 should be withdrawn as a §103 reference.

At ¶8 page 7 of the Office Action, the Examiner seeks to combine Frey '882 with the now discredited Hill '609 in finding obviousness in the examined claims. But Frey '882 provides an inflexible glass plate substrate that cannot conform to other than a planar surface. Frey '882 is in reality rather close to Hill '609: neither Frey nor Hill provide a substrate with a plurality of through-perforations. In Frey one could not readily form a plurality of through-perforations, since Frey's substrate is a glass mirror. In Hill, no through-perforations are found because Hill's substrate is transparent or translucent or light permeable.

Hill '609 teaches that it is optically most efficient to provide a transparent panel with a silhouette pattern made up of a "regular array" of discrete print elements, e.g., a "net, grid or mesh" (col. 3, lines 40-42). But the Examiner in his 23 August 1998 first Office Action at page 4 cited Frey's Fig. 2 as disclosing a staggered pattern of transparent areas in a panel that functioned as a silhouette pattern. Applicant submits that on one hand Frey is cited as disclosing a staggered pattern of transparent areas, yet on the other hand Hill advocates a regular pattern of transparent areas (e.g., areas in his transparent or translucent or light permeable panel that are not covered with ink blobs), one skilled in the art would find the two teaches inapposite. But even if what is disclosed in Frey were or could be combined with what is disclosed in Hill, the resultant structure (assuming arguendo one were so motivated) would not include through-perforations penetrating the structure, from front surface to back surface.

In short, applicant submits that Examiner has not made out a *prima facie* case of obviousness in his citations to Hill '609 and to Frey '882.

CONCLUSION

The pending claims are in patentable form, are not obvious in view of the art of record, and should be passed to allowance at this time.

The Commissioner is authorized to charge any additional fees that may be required, including extension fees, or credit any overpayment to Deposit Account No. 06-1300 (Our Order No. A-69023/MAK).

Respectfully submitted,

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